method it produces the result required, that of diverting to itself a large part of the industrial output of the country, by the very worst possible means. It still, by its failure to tax, leaves buying power in the hands of a large number of people who see no reason why they should not live very much as usual; that is to say, why they should not demand for their own purposes a proportion of the nation's energy which they have no real right to require at such a time of crisis. But in order to check their demands, and to provide its own needs, the Government, by setting the bankers to work to provide it with book credits, gives itself an enormous amount of new buying power with which, by the process of competition, it secures for itself what is needed for the war. There is thus throughout the country this unwholesome process of competition between the Government on one hand and unpatriotic spenders on the other, who, between them, put up prices against the Government and against all those unfortunate, defenceless people who, being in possession of fixed salaries, or of fixed incomes, have no remedy against rising prices and rising taxation. All that could possibly have been spent on the war in this country was the total income of the people, less what was required for maintaining the people in health and efficiency. That total income Government might,

in theory, have taken. If it had done so it could and would have paid for the whole of the war out of taxation.

All this, I shall be told, is much too theoretical and idealistic; these things could not have been